
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 5.13.2009

Washington Post: "Officials Knew of AIG Bonuses Months Before Firestorm ... As American International Group chief executive Edward M. Liddy returns to Washington to face Congress today, new details are emerging about how long federal officials were aware of the company's recent bonus payments to its executives and of how inflammatory the payments could be."

Washington Post: "Freddie Mac Loses \$10 Billion for Quarter ... Freddie Mac yesterday reported that it lost \$10 billion in the first three months of the year, as investments in mortgages continued to fall in value at the federally run housing finance giant."

Washington Post: "Immigrant Homeownership Proves Resilient in the Face of Slowdown ... The rate of homeownership in the United States is holding up better among immigrants than it is for native-born Americans, according to a study released this morning."

Washington Post: "Stanford Executive Indicted in Probe of Alleged Ponzi Scheme ... The chief investment officer for Texas billionaire R. Allen Stanford's companies on Tuesday became the first person indicted in a federal investigation of an alleged massive Ponzi scheme."

Washington Post, Pearlstein: "Community Banks Cry Foul, but What's Fair? ... We're hearing a lot these days from well-run regional and community banks that feel that they are being punished for the mistakes of the Citigroups and the Countrywides."

Washington Times, Editorial: "No credit ... Congress shouldn't tamper with credit cards. No credit is worse than costly credit. That's a lesson American consumers will learn soon when Congress regulates credit cards."

New York Times: "Homeownership Losses Are Greatest Among Minorities, Report Finds ... After a decade of growth, the gains made in homeownership by African-Americans and native-born Latinos have been eroding faster in the economic downturn than those of whites, according to a report issued Tuesday by the Pew Hispanic Center."

New York Times: "With Support, Congress Seizes on Credit Cards ... Congress has reached its limit with the credit card industry. Swamped by consumer complaints about excessive fees, sudden interest rate increases, indecipherable fine print, debt-ridden college students and a deluge of solicitations for even more credit, lawmakers are racing to put new restrictions on card companies, seizing on an issue with overwhelming popular and political appeal."

Wall Street Journal: "U.S. Eyes Bank Pay Overhaul ... The Obama administration has begun serious talks about how it can change compensation practices across the financial-services industry, including at companies that did not receive federal bailout money, according to people familiar with the matter."

Wall Street Journal: "Treasury to Pick Managers for PPIP ... The Treasury Department is expected to notify a group of asset managers Wednesday that they have been culled from the 104 that applied to oversee the first wave of Public-Private Investment Program funds."

Wall Street Journal: "Judge Approves GMAC as Main Lender to Chrysler Dealers ... A bankruptcy judge on Tuesday approved agreements allowing GMAC LLC to become the primary lender to Chrysler LLC's dealerships, which lost their main financing source after Chrysler's bankruptcy filing."

Wall Street Journal, Op-Ed: "Chrysler and the Rule of Law ... Fleecing lenders to pay off politically powerful interests, or governmental threats to reputation and business from a failure to toe a political line? We might expect this behavior from a Hugo Chávez. But it would never happen here, right? Until Chrysler."

Financial Times: "Investors wary of Senate's toxic asset action ... Investors are expressing concern about an amendment quietly inserted in Senate legislation last week that would force new levels of disclosure from participants in the Treasury's system for getting banks to offload toxic assets."

Financial Times: "Money market rates fall to pre-Lehman levels ... Key money market rates have fallen below levels seen before Lehman Brothers collapsed in September as confidence tentatively returns."

Financial Times, Op-Ed: "Why Obama's conservatism may not prove good enough ... The more the crisis unfolds, the more evident it is that incentives in the financial system were (and are) badly distorted, says Martin Wolf. At the end, will the number of institutions thought "too big to fail" be as large as now and, if so, how will they be controlled?"

Financial Times, Op-Ed: "America's triple A rating is at risk ... Long before the current financial crisis, nearly two years ago, a little-noticed cloud darkened the horizon for the US government. It was ignored. But now that shadow, in the form of a warning from a top credit rating agency that the nation risked losing its triple A rating if it did not start putting its finances in order, is coming back to haunt us."

Financial Times, Op-Ed: "Think about the costs of regulation ... Good regulation is fundamental to almost all economic activity. Where regulation fails, trust breaks down and normal commercial relationships founder. Just look at the banks. Yet before the credit crunch, many voices were saying that over-regulation was shackling normal business activity."

Boston Globe, Op-Ed: "Changing the credit card rules won't necessarily cure our addiction to credit ... I have no doubt those working to reform the credit card industry mean well. But neither Congress nor the president can fix the fixation many Americans have with using credit rather than cash."

National Review, Op-Ed: "Blame Game ... After virtually every disaster created by Beltway politicians, you can hear the sound of feet scurrying for cover in Washington, see fingers pointing in every direction away from Washington, and watch all sorts of scapegoats hauled up before congressional committees to be denounced on television for the disasters created by members of the committee who are lecturing them."

Los Angeles Times: "A push to legalize Internet gambling ... The online gambling industry is waging a campaign in Congress to legalize Internet betting, arguing that it is here to stay and can be regulated and taxed. But opponents are raising moral objections."

Los Angeles Times: "Sour commercial real estate loans threaten to hurt regional banks ... Delinquencies are snowballing on construction loans and mortgages for office buildings, malls and apartments."

Detroit News, Editorial: "Uncle Sam throws wrench ... The moves of the Obama administration's Auto Task Force are creating some natural questions about conflicts and exit strategies in the Chrysler and General Motors' bailouts."

ABC News: "Congress Nears Completion of 'Bill of Rights' for Credit Card Owners ... Congress is nearing completion of a bill that would place tough new restrictions on credit card companies and protect card holders from arbitrary rate hikes and other deceptive practices."

Reuters: "US Treasury to notify toxic asset managers on Wed ... The U.S. Treasury will notify an initial group of asset managers on Wednesday of their selection to run public-private toxic asset funds with the aim of launching capital raising by early June, a person involved in the process said late on Tuesday."

Bloomberg: "Obama Said to Understate Chrysler '60-Day' Bankruptcy Schedule ... Chrysler LLC's bankruptcy might take as long as two years, not the two months President Barack Obama suggested as a target, an administration official said."

CongressDaily: "Eyeing Credit Card Vote, Senators Push Interest Rate Caps ... As populist frustration over bank practices peaks, some senators this week are lining up amendments to a credit card bill that would cap interest rates. Senate Majority Whip Durbin said today he might offer up an amendment that would establish a federal usury cap of 36 percent, while Sen. Bernie Sanders, I-Vt., will offer an amendment that would place a 15 percent interest rate cap on credit cards. Neither measure is expected to be adopted, but they would gauge how much political support exists for such strong measures."

Politico: "On credit card reform, where's Joe Biden? ... As President Barack Obama champions credit card reform at just about every turn, it raises the question: Where's Joe?"

Politico: "AIG trustee aids offshore hedge funds ... The battered insurance giant AIG returns to Capitol Hill Wednesday facing another frosty reception in Congress - where three AIG trustees appointed by the U.S. government will make their public debut amid growing skepticism over their role at the company."

Politico: "Obama in full-court press for IMF ... President Barack Obama asked Congress for billions in new financing for the International Monetary Fund late Tuesday night, hours after top budget writers agreed to assign lower cost estimates to the White House request and thereby greatly improve its chances of passage."

Roll Call: "New Homebuilders Group Eyes Tax Break ... A breakaway group of homebuilders is mounting its own lobbying campaign - and working around the powerful National Association of Home Builders - to secure passage of a tax provision that would help its members write off billions of dollars in losses."

The Hill: "Partisan sparks fly ahead of AIG hearing ... The ranking Republican on the House Oversight Committee on Tuesday accused Rep. Edolphus Towns's staff of covertly meeting with AIG trustees prior to their Wednesday appearance before the committee."